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CENTRALIZED PROCUREMENT OF SIGINT/COMSEC EQUIPMENT ☐

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1. Authority.

In accordance with National Security Council Directives NSCID No. 6 and NSC 5711, and as implemented by DOD Directives S-3115.2, S-3115.4 and C-5200.5, the Director, National Security Agency is authorized to establish policy and prescribe procedures to provide for the production and procurement of SIGINT/COMSEC equipment.

2. Purpose.

This document establishes the policy of the National Security Agency governing the centralized production and procurement of SIGINT/COMSEC equipment and repair parts and sets forth procedures for the preparation, submission, acceptance, and administration of consumer's orders.

3. Policy.

In pursuance of the delegations of authority and responsibility cited in Paragraph 1, above, the National Security Agency (NSA) will:

- (1) Provide consumers with information on which to base the submission, on a phased basis, of their orders for SIGINT/COMSEC equipment.
- (2) Provide for the review of consumer's orders and consolidate into NSA production and procurement programs.
- (3) Provide consumers with delivery status reports.
- (4) Establish allocation schedules for distribution of SIGINT/COMSEC equipments among the consumers.

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- (5) Prescribe minimum security requisites pertaining to SIGINT/COMSEC equipment.

4. Scope.

The policy and procedures set forth herein apply only to those responsibilities of the Directives cited in Paragraph 1, above, directly related to the production, procurement and distribution processes of SIGINT/COMSEC equipment and do not encompass or portray implementing criteria for other responsibilities contained in those Directives. This document is not applicable to the Military Assistance Program.

5. Definitions.

For the purpose of this document the following definitions apply:

a. Consumer - Any Department, Agency, or element thereof, of the United States Government which is authorized to receive SIGINT and/or COMSEC equipment and parts.

b. Financing

- (1) Direct Citation of Funds - A method of financing whereby the consumer cites on an order the appropriation and subsidiary accounting classification to be charged in fulfilling the order and such funds are cited on the contract by the procuring activity. (For use only within the Department of Defense).
- (2) Reimbursement - A method of financing whereby the cost involved in completing the order is charged to NSA funds subject to reimbursement by the consumer. (For use by Department of Defense and Civil Agencies).

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c. Order - A Military Interdepartmental Purchase Request, as prescribed for use within the Department of Defense, or an authorized document of the Civil Department or Agency, which sets forth definitive requirements of the consumer.

d. Parts

- (1) Initial Repair Parts - Those items which comprise both equipment repair parts kits and depot repair parts kits (lots), and may include "common" and "unique" parts, special tools and support items.
- (2) Subsequent Year Repair Parts - Those items which are to replenish or augment initial SIGINT/COMSEC repair parts required to assure adequate maintenance during the life of the equipment.
- (3) Unique Parts - Those parts, sub-assemblies or assemblies (1) for which the design is controlled by the National Security Agency and (2) the use of which is restricted to items controlled by the National Security Agency. No items readily obtainable from any manufacturer should be considered as unique parts.

e. SIGINT/COMSEC Equipment - That specialized equipment and material, including related parts, documents, supplies and services which are to be utilized for Signal Intelligence or Communications Security purposes and for which NSA has centralized production and procurement responsibility. (In general, SIGINT/COMSEC equipment is that to which NSA assigns a short title or other nomenclature).

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6. General.

In the following procedures all actions and relations between NSA and a contractor will be accomplished by or through the contracting officer having cognizance over the contract. Use of "NSA" in these instances is for the purpose of denoting responsibility for the fulfillment of the stated actions rather than the direct accomplishment of the contractual action.

7. Contacts and Liaison.

In order to facilitate and expedite the flow of orders and the processing of inquiries pertaining thereto, the following liaison offices within NSA will serve as central points of contact for the representatives of originating offices for the receipt, acceptance, processing, reporting and follow-up of consumer's orders:

a. SIGINT Equipments

Director, National Security Agency  
9800 Savage Road  
Fort George G. Meade, Maryland  
Attn: Office of Logistic Services  
Chief, Acquisition Division

Phone No: Parkway 5-4400 (Govt Code 188)  
Extension 7442

b. COMSEC Equipments

Ass't. Director, National Security Agency  
3801 Nebraska Avenue, N. W.  
Washington 25, D. C.  
Attn: Chief, Acquisition Group

Phone No: Oxford 6-0505 (Govt Code 11)  
Extension 60505

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8. Procurement Planning.

a. The National Security Agency will provide consumers with listings of major items of SIGINT and COMSEC equipment tentatively planned for procurement. Such listings normally will be furnished by 1 February (for SIGINT items) and 1 April (for COMSEC items) preceding the Fiscal Year in which procurement is planned to be accomplished and will indicate, by FY quarters, the required schedule for submission of orders.

b. Operational Phases of Procurement Planning. NSA is responsible for phasing the submission of orders, consolidating orders, analyzing the market, and determining patterns for the phased placement of contracts to assure meeting the needs of the consumers at the most economical price to the Government.

c. Cut-Off Date.

- (1) SIGINT equipment - 1 April of the current Fiscal Year is established as the standard cut-off date for programmed procurement of known requirements. Every effort should be made to meet this date in order to prevent interference with mandatory requirements generated subsequent to submission of the programmed procurements.
- (2) COMSEC equipment - 1 February is established as the standard cut-off date for submission of orders which require NSA procurement action within a current Fiscal Year. There is no assurance that orders received after 1 February can be accepted and processed in time to obligate funds by the end of the Fiscal Year.

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9. Preparation and Forwarding of Orders.

a. Forms. Requirements of the Military Departments will be submitted on Military Interdepartmental Purchase Request (DD Form 448 and DD Form 448-1 continuation sheet). Civilian consumers will submit their requirements on the form authorized by their respective Departments or Agencies.

b. Number of Copies and Channel for Submission. All orders will be submitted in sufficient numbers so as to provide six copies for retention by NSA. Two copies of the order will be signed by appropriate authority of the consumer activity. Orders will be forwarded by the consumer to the appropriate Liaison Office cited in Paragraph 7, above.

c. Equipment Description, Quantity, and Estimated Costs. Orders will include the following line items, as applicable:

- (1) Assigned nomenclature or description of equipment, quantity required, and estimated unit and total costs.
- (2) Initial Repair Parts (provide for both equipment spares and depot spares, as appropriate), specifying estimated total costs.
- (3) Packing, Preservation and Packaging of equipments and repair parts, quantity required. (Estimated costs should be included in line items 1 and 2 above, as appropriate).
- (4) Maintenance Manuals, quantity required.

d. Desired Delivery Schedule. Orders will indicate the desired delivery schedules, taking into consideration procurement lead time factors. Normally, a

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period of 90 days (for SIGINT items) to 120 days (for COMSEC items) is required for administrative processing and contractual award, in addition to production/delivery lead time factors applicable to the particular equipment being ordered.

e. Shipping, Packing, Preservation, Packaging, and Marking Instructions.

- (1) Shipping instructions must indicate the complete freight consignment address and applicable delivery requirements of each consignee. For export shipments, the overseas destination and applicable special markings are required. For long lead time items the statement "shipping instructions to be furnished at a later date" will be cited, however, such instructions will be furnished to NSA by letter or message 120 days prior to anticipated delivery of equipments.
- (2) Packing and packaging specifications will be determined by NSA. The level of preservation (domestic or overseas) will be specified by the consumer.
- (3) NSA will include in the contract provision for marking shipments and accompanying documents, in accordance with the instructions contained in the order.

f. Appropriations and Accounting Data. Each order from elements of DOD will include the complete accounting classification chargeable for procurement of line items as specified in subparagraph c, above, and as appropriate, another classification for transportation. If long lead time items are involved, transportation funds may be furnished at the time definitive shipping instructions are submitted.

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g. Payment Instructions. Information will be included in the order specifying the activity and address to which reimbursement billings or cross-disbursing documents are to be forwarded and the number of copies required, as well as, the appropriate Finance Officer who is to accomplish payment of transportation charges.

h. Distribution of Documents. Each order will specify the number of copies of contracts, Material Inspection and Receiving Reports (DD Form 250), Bills of Lading or other documents required. Distribution of such documents will be kept to a minimum and should be requested only by the originating office for those activities which require these documents to fulfill a management control responsibility.

i. Urgent Delivery. In those cases where an expedited delivery is mandatory, the order will be marked "Urgent" and the required delivery schedule will be indicated. The reason for the urgency will be shown so as to permit NSA to employ the proper expediting techniques necessary to assure required delivery.

j. Justification for Proprietary and/or Sole Source Procurement. Determination and justification for procurement of proprietary and/or sole source items will be accomplished by NSA.

k. Combination of Items on Orders. COMSEC and SIGINT items will not be commingled on the same order. Further, a separate order will be submitted for each SIGINT or COMSEC equipment program.

l. Specifications and Drawings.

- (1) Orders requiring SIGINT/COMSEC equipment to be procured in accordance with NSA specifications need not be accompanied by copies of such specifications.

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- (2) Orders requiring SIGINT/COMSEC equipment to be manufactured in accordance with specifications other than NSA's will be accompanied by reproducible masters of the specifications or in quantities sufficient for solicitation of proposals. One set of reproducible master drawings and a minimum of two sets of prints will be provided with the order.

10. Administration of Orders.

a. Notification of Action. Normally, notification of acceptance will be processed within 30 days after receipt of an order. If, however, a longer period of time is required to process the order, the consumer will be advised and furnished the date on which processing actions will be completed.

b. Acceptance of Orders.

- (1) The National Security Agency will specify in the notice of acceptance what method of financing will be used, i.e., Direct Citation of Funds or Reimbursement. Where a combination of both methods is to be used, appropriate entry will be made in the notice of acceptance. In unusual cases, other methods of financing may be employed as agreed to by the Finance Officers involved.
- (2) Deviation Allowance Applicable to DOD Consumers. NSA may deviate, without referral to the DOD consumer, by three percent of the amount stated for each accounting classification, provided that the sum of each deviation does not exceed three percent of the total amount cited in the order. The DOD

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consumer will authorize the three percent variation on each order and will reserve a net amount sufficient to provide for such variation. This authorization will remain available to NSA until:

- (a) The order is officially accepted for procurement under the reimbursable method, or
- (b) Contract placement is effected utilizing the direct citation method, at which time any excess funds on the order will be automatically rescinded.

In cases where the pending obligation action indicates the need for additional citation of funds, NSA will promptly notify the consumer and request appropriate action.

- (3) NSA Financed Items. In effecting centralized procurement of SIGINT/COMSEC equipment, NSA will bear, without reimbursement therefor, the administrative costs incidental to such procurement, and within budgetary limitations, the cost of any of the following items which may be required: Tooling, Provisioning Documentation, Item Identification, Maintenance Manuals, Production Drawings.

- (4) Reservation of Funds for Contingencies.

- (a) Direct Citation Procurement. The consumer will be responsible for reserving funds for any contingencies indicated in the contract and for which it is liable.

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NSA will apprise the consumer of the additional monies required due to changes in the contract and the consumer will furnish in the most expeditious manner, appropriate citation of funds sufficient to cover the increased costs.

- (b) Consolidated-Reimbursable Procurement. If the acceptance of the order is qualified because of anticipated contingencies, NSA will bill subsequently at the later determined cost. In such cases, NSA will advise the consumer periodically of changes in the acceptance figure through the publication of revised prices and the consumer will adjust the obligation recorded to reflect the current price.

c. Processing. Orders will be consolidated by NSA to the greatest extent practicable and will be processed for procurement in accordance with the procedures prescribed herein.

d. Amendment to Orders. Amendments will be administered in the same manner as that prescribed for the basic order.

e. Notice of Inability to Obligate. On 1 May of each year, NSA will advise the consumer of the possible failure to obligate funds by the end of the then current Fiscal Year.

f. Provisioning of Repair Parts. The provisioning of initial repair parts necessary for the support and maintenance of SIGINT/COMSEC equipment will be accomplished in accordance with NSA Circular No. 92-3 ☐ "Provisioning of Cryptologic Equipment".

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g. Subsequent Year Repair Parts. Responsibilities for the procurement and stocking of subsequent year repair parts are set forth in the Appendix to this document. Orders for subsequent year repair parts will be processed in the same manner as prescribed for equipment orders.

h. Deficiencies. In the event that an order is deficient or contains limiting provisions not acceptable to NSA, and such cannot be reconciled by direct liaison with the consumer within the 30 day acceptance period, the order will be returned to the consumer with reasons stated for rejection. Adjustments or reconciliation of deficiencies will be covered by appropriate amendments to the order where requested by NSA.

11. Contract Administration.

a. Responsibility. All administration of contracts will be conducted by NSA in conjunction with the procuring activity effecting contractual action on behalf of NSA.

b. Distribution of Contracts. Copies of contracts (and subsequent contractual documents) will be distributed to the consumer originating the order, within 20 days after execution of the formal contractual document.

c. Technical Liaison. Technical liaison with the contractor will be conducted by representatives of NSA. In exceptional cases, it may be necessary for technical personnel of the consumer activity to confer with the contractor on matters peculiar to their respective department or agency. In such instances, conferences between consumers and the contractor will be arranged by NSA.

12. Status Reports. NSA will provide periodic reports (normally monthly) advising the consumer of the production/delivery status of their equipment. Such reports will be addressed to the consumer originating the order and will

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include consumer order number, contract number, equipment name or short title, quantity ordered, current delivery schedules, and other information as appropriate.

13. Arrangements for Inspection and Delivery.

The National Security Agency will arrange for the necessary inspection to assure that contractual requirements are met. In addition, NSA will make the necessary transportation arrangements for delivery of equipments and parts to the consignees.

14. Payments.

a. Contract. All contractual payments will be accomplished by the NSA Finance and Accounting Officer.

b. Transportation Charges. When equipments and parts are delivered from the contractor's facility directly to the consumer activity, transportation charges for Government Bills of Lading will be submitted by the carrier to the consumer activity for payment.

15. Distribution.

Copies of this document will be distributed to U. S. cryptologic activities and their logistic support units on a need-to-know-basis.

16. Effective Date of Implementation.

This document is effective upon publication and rescinds NSA

Circular 92-1 ☐ and Circular 111-3 ☐

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APPENDIX

PROCUREMENT AND STOCKING OF SUBSEQUENT YEAR REPAIR PARTS  
FOR SIGINT/COMSEC EQUIPMENT

This Appendix supplements the provisions set forth in the basic document by delineating responsibilities specifically applicable to the procurement and stockage of subsequent year unique repair parts required by consumers to support and maintain SIGINT/COMSEC equipment:

1. The National Security Agency is responsible for:

- a. Compiling, maintaining and issuing to the consumer listings of unique SIGINT and COMSEC repair parts for reference purposes.
- b. Obtaining from consumers their annual requirements for subsequent year unique repair parts.
- c. Consolidating consumers' orders, providing for procurement, arranging for delivery of these items direct from the contractor to the consumers and accomplishing any expediting action which may be required.

2. Consumers are responsible for:

- a. Establishing stock levels and maintaining sufficient stocks of SIGINT/COMSEC repair parts as necessary to adequately provide for needs above current operational requirements and procurement lead time. (The normal lead time for subsequent year unique repair parts is 18 months from receipt of order to final delivery of parts).
- b. Submitting to NSA their annual orders for subsequent year unique repair parts in accordance with the submission schedule established by NSA. (Additional requirements for unique repair parts not contained in the annual submission should be forwarded to NSA by the most expeditious means).

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